THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) During his visit to India in February 2008, the Turkish Foreign Minister had proposed the concept of transportation of crude oil from Turkey to India. More details have been sought from Turkey to establish the techno-economical feasibility of this concept.

Price Stabilization fund for Petro products

1965. SHRI JESUDASU SEELAM: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is considering to use part of country's $270 billion foreign exchange reserve for creating a price stabilization fund for petroleum products;

(b) if so, the status of decision making for estblishing this fund; and

(c) to what extent this fund can help mitigate the situation?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) No, Sir.

(b) and (c) Do not arise in view of (a) above.

Calculation of under-Recoveries

1966. SHRI VIJAY J. DARDA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Finance Ministry has expressed concern over rising under-recoveries of oil marketing PSUs and has called for a revision of the method of calculating under-recoveries;

(b) if so, the reasons for flat growth in central revenues from oil industry despite a significant buoyancy in petroleum products (except subsidized oil, diesel, etc.); and

(c) the steps being taken to improve sluggish growth?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Cost Accounts Branch of Ministry of Finance in consultation with Petroleum Planning & Analysis Cell (PPAC), is carrying out a study of under-recoveries on sensitive petroleum products under various methodologies including trade parity/import parity basis and actual refining cost basis.

(b) and (c) The contribution of petroleum sector for the last three years in respect of customs duty and excise duty is tabulated below:

Rs. crore

	2004-05	2005-06	2006-07	April-Dec'07
Customs Duty	11,697	9,157	10,043	7,804
Excise Duty (including cess on indigenous crude oil)	43.041	52,064	58,821	44,123
TOTAL	54,738	61,221	68,864	51,927

While there is growth in consumption of petroleum products, total tax revenues have not gone up correspondingly due to reduction in rates of custom duties on crude oil & petroleum products and cut in excise duty on sensitive petroleum products and appreciation of the rupee vis-a-vis the US dollar.

Coal Gasification Technology

1967. SHRI N.R. GOVINDARAJAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government has any proposal to promote coal gasification;

(b) if so, the details thereof;

(c) to what extent such a technology is commercially viable;

(d) whether some foreign firms has sought permission to set up their business in the country by using the technique of changing coal into oil; and

(e) if so, the details of such proposals and the level at which these proposals are being considered at present?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Yes, Sir.

(b) Oil and Natural Gas Corporation Ltd (ONGC) has signed an Agreement of Collaboration, (AOC) with Skochinsky Institute of Mining (SIM-NMRC), Moscow, Russia to develop Underground Coal Gasification (UCG) technology in India on 25th November, 2004. After sudying eleven sites, one site namely Vastan Mine block belonging to Gujarat Industries Power Company Ltd. (GIPCL) in Surat Gujarat has been found most suitable for UCG.

(c) Commercial application of UCG technology has taken place only in erstwhile Soviet Union. A UCG based power plant station is still operative in Uzbekistan and is producing Approx. 25 MW electricity. UCG is also being produced on pilot level in Australia and South Africa. The commercial viability of underground coal gasification in Indian condition could only be assessed after taking up pilot scale studies.

(d) and (e) In so far as Ministry of Petroleum & Natural Gas is concerned no approval has been given to any foreign company to start its business in the country by using the technique of changing coal into oil. However, foreign companies are free to collaborate with Indian companies in this regard.

Policy for CBM

1968. SHRIMATI SUPRIYA SULE:
SHRI JESUDASU SEELAM:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether his Ministry has decided to chalk out a strict policy for proposals seeking extension in exploration phased under Coal Bed Methane (CBM) contracts in a bid to adopt a transparent and consistent frame-work;

(b) whether Government has so far signed contracts for 26 blocks, covering an area of